# GOVERNMENT OF INDIA
# CHEMICALS AND FERTILIZERS
# LOK SABHA

UNSTARRED QUESTION NO:3747
ANSWERED ON:08.04.2003
SUBSIDY TO FERTILIZERS
JAGMEET SINGH BRAR;RAMESH CHENNITHALA

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

(a) whether it is a fact that the Finance Minister in his Budget speech hasinter alia remarked that the benefits of the subsidy to fertilizers goes to companies rather than farmers;

(b) if so, the details thereof;

(c) whether the Government have worked out any system which can ensure that the benefit of subsidy on fertilizers reaches farmers;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHHATTRA PAL SINGH)

(a) to (e) : Urea, which is a controlled fertilizer, is made available to farmers at statutorily notified Maximum Retail Prices (MRP) and the de-controlled phosphatic and potassic fertilizers are made available to the farmers at the MRPsindicated by the Central Government. Indicative MRPs of Single Super Phosphate are fixed by respective State Governments.

As the MRP/indicative MRP of various fertilizers is generally less than thecost of production of the indigenous manufacturers, the benefit of subsidy is passed on to the farmers in the form of subsidized and controlled prices of fertilizers. The difference between the cost of production of indigenous fertilizers and prices of fertilizers in international market is mainly on account of higher cost of feedstock/raw materials in the country.